REPORT ON THE AGING OF RURAL AGRICULTURAL AND OPEN SPACE LANDOWNERS AND THE POTENTIAL IMPACT OF AGING LANDOWNERS ON LAND CONSERVATION GOALS

EXECUTIVE SUMMARY

At the fall 2007 hearing of the Joint Subcommittee on Open Space/Agricultural Preservation, Chairman Middleton expressed concerns to agency staff about the potential impact of an aging "baby boom" generation on Maryland's farmland and open space. The discussion at the hearing centered on the determining if there is a correlation between a generation of rural landowners reaching retirement age and a subsequent accelerated loss of open space and farmland. Three agencies, Maryland Department of Natural Resources, Maryland Department of Agriculture and Maryland Department of Planning undertook the responsibility to make the initial investigation of the reality of this concern.

Their goal was to analyze available data and other information to determine if changing landowner demographics would impact overall rural land use. To that end, the agencies reviewed existing statistical analysis and anecdotal information. While not an exhaustive study, the conclusions from this basic information could be used to determine whether further study and plans for action to address the land use changes were necessary.

The general findings by the agencies:

Landowners and land -

- Farmers have a higher average age than other Marylanders. Since the average age of the general population will be rising, it's reasonable to assume that aging of the farm population will be even more acute. There will be a steady increase in the average age of Maryland in general and in rural areas specifically.

- No similar information on landowner age is available from the non-farm rural landowning population to allow for additional comparison. Therefore this report does not address the effect of an aging population on non–agricultural open space lands.

- The average age of recent and current participants in land preservation programs is 55-65 years of age.

- The age range for the pool of potential participants in land preservation programs (landowners who have expressed interest in conservation) is overall fairly similar to past program applicants.

- The most immediate reasons that landowners cited for participation in land preservation programs were, estate planning, need for retirement funding and, protecting the family farm/open space land from development.

- Impacts from an aging rural population would affect a range of land types and the variety of benefits they provide to the population. In addition to farmland, natural resource lands, open

space, and sensitive environmental areas would be impacted by any rise in conversion of open space to development caused by aging rural populations.

Funding and Staff Support –

- Whether or not there is an impending increase in the sale and development of open space and farmland, there is more land sought to be protected than there is currently available funding. This is a key reason for the new POS targeting system.

- While the state transfer tax and agricultural transfer tax may increase relative to an increase in land conversion, it might not be sufficient to meet the land conservation needs created by an aging rural population.

- A range of programs, partnerships and fund sources will be necessary to address potentially increasing land conversion and to meet land conservation goals.

- If land conservation activity is ramped up to protect additional acreage, both the land preservation programs and the support agencies will need increased staff to handle the additional workload.

Remaining Questions and Future Analysis-

- While the population is aging, the evidence of an impending increase in farmland and open space is not clear from the limited data available.

- The readily available anecdotal evidence does not provide a clear answer to the questions that were addressed.

- A more accurate and targeted study will be necessary to answer questions about the impact of an aging population on retention of farmland and open space.

<u>Recommendations</u>

- Conduct research that is specifically targeted to determine the impacts of changing demographics on the future of Maryland's open space and farmland. Include the data collection and analysis of the demographics of the non-farm rural landowner population as part of this research.

- Convene the key agricultural preservation and land conservation groups and partners and agency staff to work collaboratively to address the impact of an aging rural population on land conservation. Charge this group to outline innovative funding mechanisms, strategic approaches and partnerships to protect Maryland's significant open space and farmland for future generations.

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AND THE POTENTIAL IMPACT OF AGING LANDOWNERS ON LAND CONSERVATION GOALS

Introduction

This report is in response to land conservation issues that were discussed at the October 10, 2007, hearing of the Joint Subcommittee of Program Open Space/Agricultural Land Preservation. At that hearing, Chairman Middleton noted the overall aging of the general population, particularly the "baby boomers" and the relative aging of the agricultural community. He expressed concern that as the agricultural and open space landowners grew older, they faced the need to plan for retirement and to address the lack of a succeeding generation to take on the farming operation. Given this set of circumstances it is likely that the number of farms and open space properties converted to development could increase substantially. The one factor that could mitigate this trend toward agricultural and open space conversion was the potential to conserve the farms through the various state land conservation programs. Implementation of an effort aimed at meeting this increasing need could likely require additional funding. To consider additional funding to address this potential problem, the agencies were asked to research and evaluate available information on the subject.

The Department of Agriculture (MDA), Maryland Agricultural Land Preservation Foundation (MALPF), the Department of Natural Resources (DNR) and Maryland Department of Planning (MDP) worked cooperatively to provide the information requested by the Committee. The agencies used currently available demographic statistics and anecdotal information based on the experience of the agencies and their local government and land trust partners. Exact statistical information for program participants would require additional time and funding. Landowners may have concerns about responding to a survey about financial and personal data, e.g., retirement and estate planning and the succession of family members in the farming operation.

Findings

The Department of Planning focused on the statistical data. Below is a summary of MDP's Analysis (see Appendices A and B for details on methodology):

A. The average age of farmers in Maryland is increasing as noted in the Elaboration on page two of this report.

B. More heads of households in agricultural areas are 55 or older (40.2%) than in non-agricultural households (32.6%).

C. The evidence suggests that the age of farmers enrolled in farmland preservation programs is about the same as for other farmers: the percentage of households headed by someone aged 55 or holder is 39.4% for farmers enrolled in farmland preservation programs and 40.2% for other farmers.

D. The evidence suggests that the percentage of households headed by someone 55 or older is projected to grow rapidly between 2000 and 2015(from 32.9% of all households in 2000 to 42% in 2015).

Conclusion: Farmers have a higher average age than other Marylanders. Since the average age of the general population will be rising, it's reasonable to assume that aging of the farm population will be even more acute. This report does not address the effect of an aging population on the non-farm rural landowners. More study would be needed to determine the impact on this segment of the population.

Elaboration: The Average Age of Farmers in Maryland Is Increasing

MDP looked at the U.S. Census of Agriculture for both 1997 and 2002. In 1997, 49.7% of Primary Farm Operators were aged 55 or older. In 2002, that percentage had risen to 53.2%. In short, Maryland farmers are growing older. But are they older in greater proportions than the Maryland population in general? To answer this question, MDP conducted another analysis.

Elaboration: The Average Age of Agricultural vs. Non-farm Households in Maryland

The details of MDP's methodology are in the Appendices A and B. In short, MDP correlated census blocks—the smallest census areas, which do contain data on the age of residents—with land use/land cover data. Heads of households were considered in total, then separated into two categories: those that live on rural/agricultural land (cropland, pasture, orchards, deciduous and evergreen forest, etc.) and those who live elsewhere. Results: The evidence suggests a much higher percentage of agricultural households than non-agricultural households are headed by someone aged 55 or older:

ALL Households in Maryland, Percentage Headed by Someone Aged 55 or Older	NON-AGRICULTURAL Households in Maryland, Percentage Headed by Someone Aged 55 or Older	AGRICULTURAL Households in Maryland, Percentage Headed by Someone Aged 55 or Older
32.9 %	32.6%	40.2%

Elaboration: The age of farmers recently enrolled in farmland preservation programs is about the same as for other farmers.

MDP took the data on land cover/land use correlated with census blocks, but this time separated out not *all* the agricultural/rural land but *only* agricultural/rural land in census blocks where a landowner had applied to sell an easement to MALPF in FY 2007. (There were 558 applicants, of which 553 could be mapped.) By comparing the age of head of household in the census blocks of recent MALPF applicants with the age of head of households in the census blocks for all farmers (as above), the results are as follows:

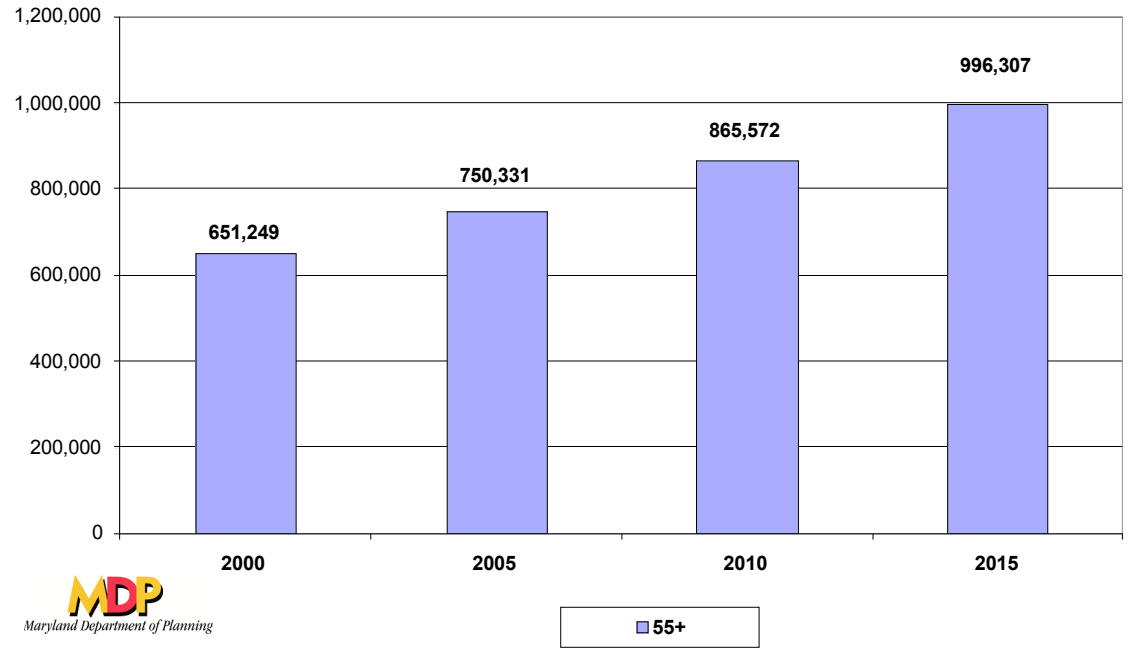
AGRICULTURAL Households in Maryland, Percentage Headed by Someone Aged 55 or Older	CENSUS BLOCKS Containing FY 2007 APPLICANTS TO MALPF, Percentage Headed by Someone Aged 55 or Older
40.2%	39.4%

In practical terms, the evidence suggests that the age of farmers applying to MALPF is approximately the same as the age of all farmers in Maryland.

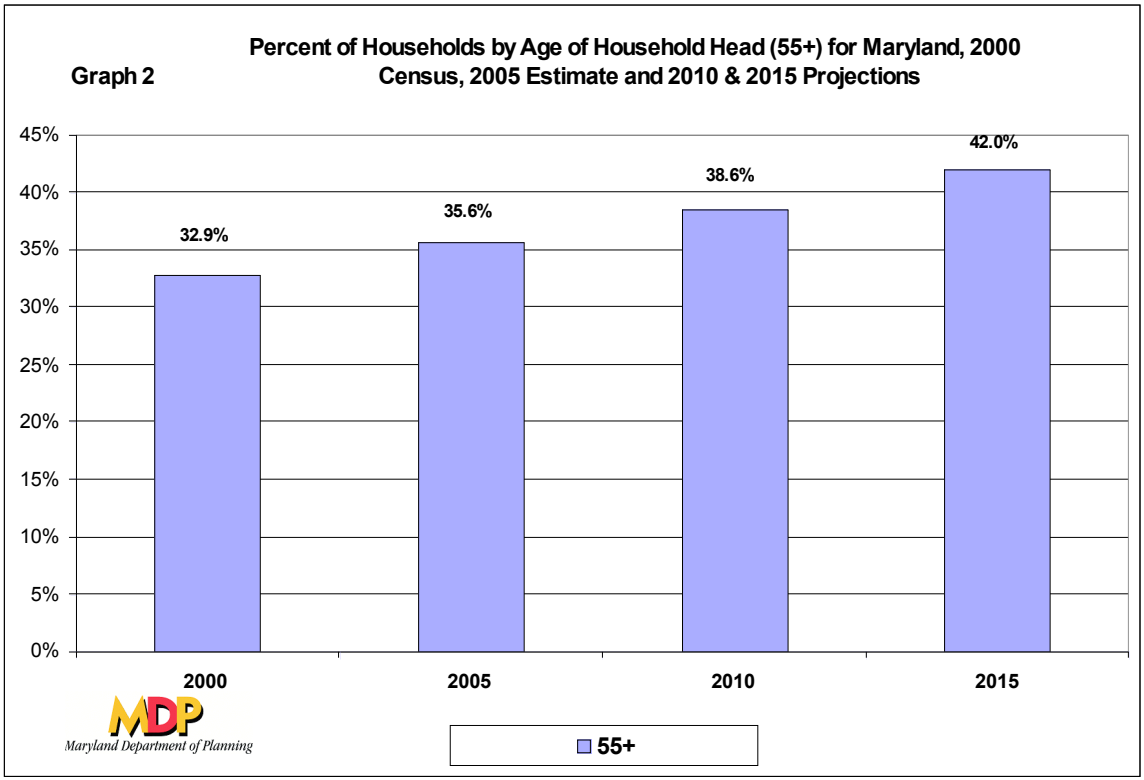
Elaboration: The percentage of households headed by someone 55 or older will grow rapidly between 2000 and 2015

Graph 1, below, shows the projected increase between 2000 and 2015 in the number households headed by someone 55 years old or older. Graph 2 shows that by the year 2015, MDP projects that 42% of all households in Maryland will be headed by those aged 55 or older—a significant increase over 2000.

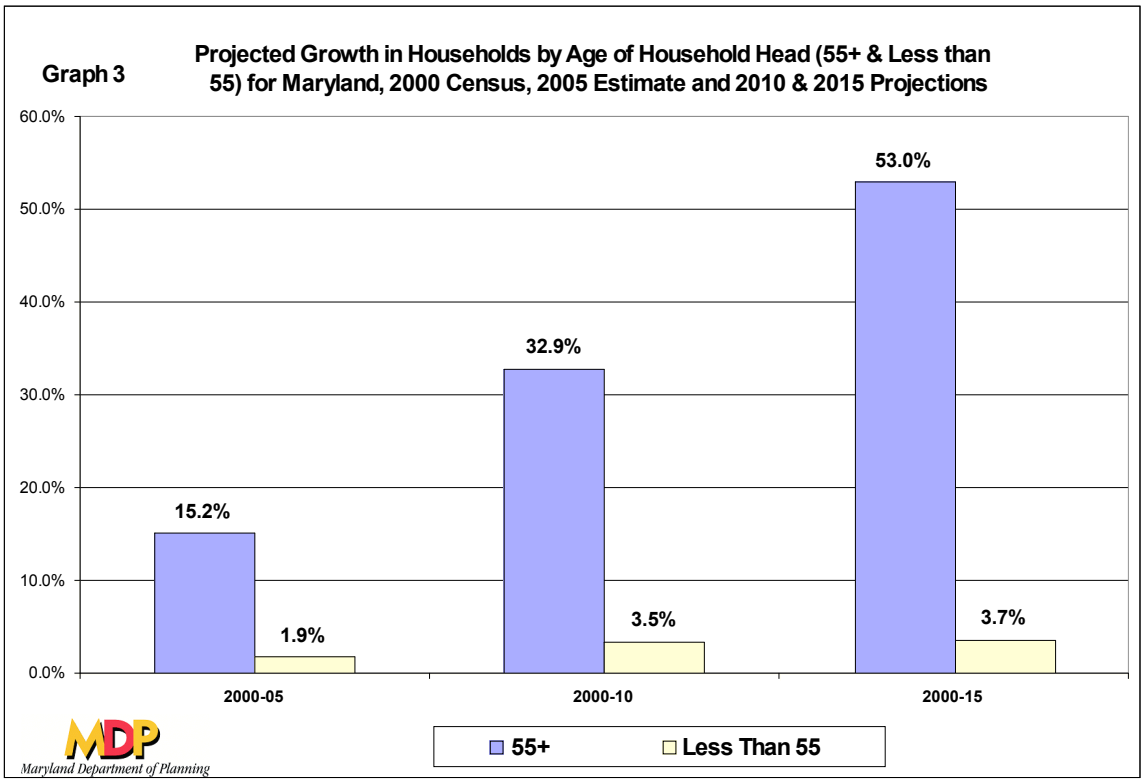
Graph 1



Graph 2



Graph 3 shows that for each five-year period between 2000 and 2015, the percentage increase in the number of households headed by someone 55 or older is projected to be much greater than the percentage increase in the number of households headed by some less than 55 years old.



Let us repeat the conclusions that we draw from MDP's analysis: The evidence suggests that farmers have a higher average age than other Marylanders. Since the average age of the general population will be rising, it's reasonable to assume that aging of the farm population will be even more acute. Similar information is not available for the non-farm rural landowner population and therefore the comparison cannot be made at this time. Given the significance of conservation land to the environmental health of the State, including the Bay and it's tributaries, a study to provide information on this population should be considered,

The Departments of Agriculture and Natural Resources focused on obtaining anecdotal information from local program partners, because the agencies have not collected data on the age of program participants.

The DNR and MALPF collected anecdotal information based on recent county and land trust recent interactions with landowners that ranged from easement sales and landowner expressions of interest in conservation to the conversion of agricultural land. Since none of the programs kept statistics on personal information of landowners, e.g. age and retirement plans, anecdotal information was the only source of relevant data.

MALPF surveyed county program administrators and DNR surveyed Rural Legacy Program (RLP) sponsors and other land trust partners to try to establish the following information [Appendix C]. First, what has been the average age of actual participants in the MALPF/RLP and other land preservation programs? Second, has the average age held steady over time, or increased or decreased? Third, what is known about the age of the pool of potential applicants to land preservation programs? Is it similar or different than the actual participants, possibly leading to changes in age composition of participants in the future? Fourth, what other information would be useful in looking at the impact of age on participation in land preservation?

None of the respondents specifically tracks ages of interested parties or the actual participants, so the information provided is mainly anecdotal. The general results of the survey are as follows:

First, the average age of recent and current participants in land preservation program is between 55 and 65 years of age. While different counties gave slightly different ranges, this seems to be the overall statewide average. The results from the RLP sponsors were generally consistent with the information provided by MALPF program administrators and, unless noted, the data applies to both programs. In some areas, the RLP statistics reflect the population demographic of landowners who own rural open space and natural resource properties e.g. wetlands or forests. While not always centered on agricultural production these properties support other resource-based industries and through carbon sequestration and water quality protection they contribute to Maryland's environmental sustainability.

Second, for most counties (and overall statewide), no change or trend is evident in the average age of the participants. Kent and Montgomery Counties thought there was a slight change in applicants getting older; Queen Anne's and Talbot Counties thought applicants now are a bit younger than before. Garrett County did not see a trend toward older landowners, but did find that the range of ages is widening. Only Anne Arundel noted that recent applicants seem to be noticeably younger than previous program participants. No differences are noted in the age or trends between MALPF and other land preservation programs.

Third, the pool of potential participants overall seems to be fairly similar in age to the past applicants, though certain individual counties note some expected changes. Anne Arundel notes that the trend toward younger applicants seems related to new purchasers looking for financial assistance with the purchase of farms, particularly equine and nursery operations. Carroll, Queen Anne's, Garrett and Talbot Counties see a younger pool of future participants based on the current pool of potential participants, though none consider that this will be a major change. Charles and Kent Counties see a slightly older pool of future participants based on the current pool of potential participants, though none expect anything more than a marginal change in their counties. Calvert County noted that there are not many new young farmers in the county due to the high per acre cost of land and the landowners interested in land preservation programs are baby boomers or older. The information provided by Cecil County Land Trust indicated an older pool of applicants with ages ranging from 74-82 and Washington County had a slightly higher than average top range of 75 years.

Fourth, other useful information and comments contributed by program administrators in responding to this survey include the following. The most immediate reasons for land preservation program participation cited seem to be (in order of importance) estate planning, followed by interest in protecting

the family farm from development in general or specifically by the heirs, a desire for capital to invest in the farming operation or to pay down debt, and for retirement funds. The Eastern Shore Land Conservancy and Anne Arundel County reported that younger farmers look to the preservation programs as a means to afford land given the current high land prices.

Calvert County notes that boomer-age applicants are now primarily concerned with lot rights for their children and helping their children with down payments on their first home. Those in their 60's are more concerned with estate planning. Carroll County notes that many of their participants are motivated primarily by maximizing their return on the land, so they have compared the cost-benefit ratio of development relative to preservation and have many questions about the tax implications of preservation. Cecil County notes that some potential participants choose not to apply because of the length of time it takes from time of application to settlement. Such participants are working on estate plans and wish to get funds quickly. Harford and Montgomery Counties note a renewed interest in land preservation in their counties because of the changed nature of the real estate markets; without fast rising prices, land preservation looks more attractive, particularly with the current federal tax benefits. Talbot County notes that active farmers will need help with intergenerational transfers or to acquire new land for farming, and that land preservation will be less available with counties under greater budgetary pressures with less State aid to counties. This will reduce the matching funds available for MALPF and fewer easements will be purchased. Worcester notes that many farmers in their 60's will soon be passing the farm on to their children in the coming decade, with the implication that preservation funds can help ease the inheritance burden on heirs, making it more likely that the farm will remain in the family. Several respondents reported cases of older landowners who have recently sold property that went from farmland to development.

The general observation from both statistical and anecdotal information is that among the land conservation programs, the age of program participants has remained roughly the same. The issue now, with the aging of the baby-boomer generation, is that a larger segment of the rural population will simultaneously reach the typical age when a landowner would preserve land. At the same time there is growing trend toward younger farmers, land trusts and conservation-buyers using the preservation programs as a means to afford purchasing at-risk farmland and open space. The impact of an aging population can be considered from two perspectives: the growing number of landowners who choose to participate in the program directly and the need to support younger farmers, land trusts and conservation-buyers in their efforts to purchase and preserve land and prevent it’s conversion to development as some aging landowners choose to sell their property out right. While there is not an obvious trend or jump in age range, the age of landowners will increase as the "baby boom" bubble moves through the distribution of the age of the population. We can expect more demand for preservation funds for retirement, estate planning (particularly to ease the burden of the intergenerational transfer), and to preserve the integrity of the family farming property. The flat real estate market makes preservation a more attractive option to selling the farm for development. At the same time that transfer taxes and agricultural transfer taxes (the basis for most Maryland land preservation funding) are declining, making easement purchases more difficult, particularly given current high land values and the pinch on county budgets to provide matching funds to State programs or to fund their own land preservation programs. Along with the potential decrease in state and local preservation funds, there is also a decrease in federal funds available for Maryland land conservation, particularly for protection of critical forest lands.

Across the board, landowners are usually concerned about the time frame necessary to complete an easement acquisition. The agencies ability to act in a timely fashion can influence landowner decisions on whether to preserve the land or sell it for development. The existing concerns of landowners regarding the time it takes to preserve their land will be magnified by the increase in potential farm conversions due to an aging populations. Addressing the potential increase in land conversion will not only require adequate funding but also adequate staff to manage the acquisitions in a reasonable time frame. Current staffing levels at MDA, DNR and DGS may not be sufficient to support increased land conservation objectives. The agencies will not be able to ramp-up conservation efforts without a commensurate increase in staff.

The Programs already receive requests for more funding than is available. The tables appended to this draft show the number of applications to MALPF from FY 2003 through 2007 [Appendix D] and the applications and grant awards from 1998 – 2008 for the RLP [Appendix E]. The MALPF number for FY 2008 is a record 462 applications. In discussions with program administrators and among MALPF staff, the primary influences of the number of applications are: (a) availability (and knowledge) of State funding; (b) easement values; (c) nature of the real estate market; and (d) the need on the part of landowners for funds. As more landowners reach the age of retirement, estate planning, and intergenerational transfer of land, the demand for funds from (factor d) will increase. Neither landowners nor the State affects, except at the margin, the values paid landowners for easements or the nature of the real estate markets (factors b and c). The total amount of funding requested by applicants to the RLP in FY 2008 was over $115 million. The $21 million in grant funds available for that round of applications represents 18% of funding requested by applicants. It is likely that a portion of the unfunded applications reflect older landowners wanting to conserve their land before retirement and younger farmers seeking to sell easements to facilitate the purchase of highly expensive farmland. For both programs, the only factor over which the State has direct influence is the amount of funding available.

Whether or not there is an impending increase in the sale and development of open space and farmland, there is more land sought to be protected that there is funding. This is one of the main premises behind the new Program Opens Space (POS) targeting system. This system focuses on protecting the best of the remaining open space lands for the public to use. The DNR narrowed down the lands it wished to protect based upon estimates of a cost in the billions of dollars to protect just some of the best remaining lands. Of course, all of that land will not be available in any one year, but the estimates and acreage amounts are helpful tools to understand the value of land sought to be protected. [Appendix F].

In addition to increased funding, it will take a range of tools and partnerships to meet the State's land conservation goals. The agencies have a variety of new and existing programs to meet the challenge if additional funds are available. At the DNR, the RLP, POS state and local funds and the easement component of the Conservation Reserve Enhancement Program (CREP) will be significant factors in stemming the loss of important natural resource and recreation lands. The grant, grass-roots and partnership structure of the RLP makes it one of the most effective mechanisms to meet the challenge of conserving farmland and stemming the rate of conversion to development. CREP easements conserve lands focused on their singular ability to provide the water quality benefits essential to the Bay and it's tributaries without needing the funding to put an entire property under easement. The new conservation targeting strategy for state-side POS [Appendix D] will focus funding on protection of a range of natural resources critical to Maryland's environmental well-being. While not strictly land conservation oriented,

Community Parks and Playgrounds (CPP) and POS local-side funding help direct development to appropriate areas by enhancing sustainable communities.

Funding the Critical Farms Program under the MALPF will insure that the most strategically important farms are not lost. This is particularly important given the disincentive created for some potential participants by the length of time it can take to settle a land preservation easement (including farms in an estate to be settled or farms whose owners are only interested in fee simple sale, and not land preservation). Other proposed programs that will provide additional conservation alternatives include the MALPF'S Installment Purchase Agreement Program offering a payments option with significant tax benefits for the sale of an agricultural land preservation easement and Maryland Agricultural and Resource-Based Industry Development Corporation's (MARBIDCO) Next Generation Farmland Acquisition Program offering resources for young farmers to acquire their first farm and additional farmland.

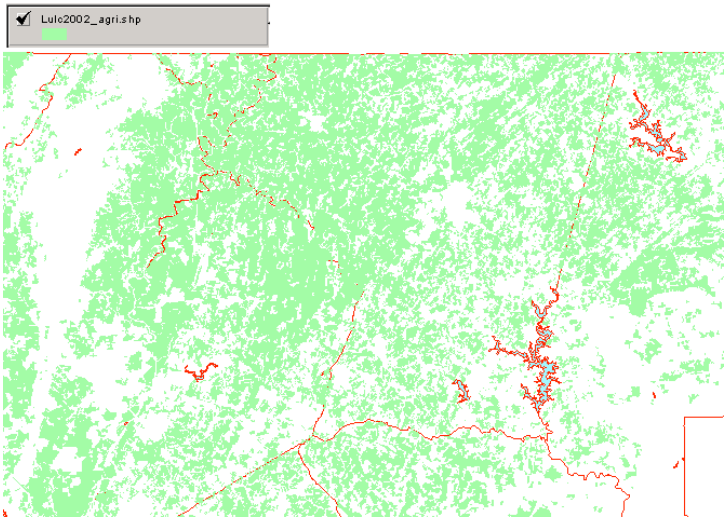
In conclusion, the findings of the agencies identify the likelihood of an aging rural population with retirement and estate planning needs and frequently with no family to take over the farming operation or to continue to manage the natural resources and open space on the property. This rural land represents a significant base for the agricultural industry. In addition, rural lands are important for the ecological services that they provide. The crucial support that these natural resource lands provide to Maryland's environmental sustainability is also threatened by the aging rural population and subsequent potential for land conversion. In addition, younger farmers and conservation-minded landowners who want to increase their landholdings and to succeed retiring landowners find it difficult to do so at the current land values. With this convergence of needs, additional funding for land conservation would make a difference in Maryland's ability to maintain our farmland, natural resources and open space as the population ages. It would also be important to Maryland's commitment to environmental sustainability and how Maryland addresses specific issues posed by climate change such as rising sea levels.

APPENDICES

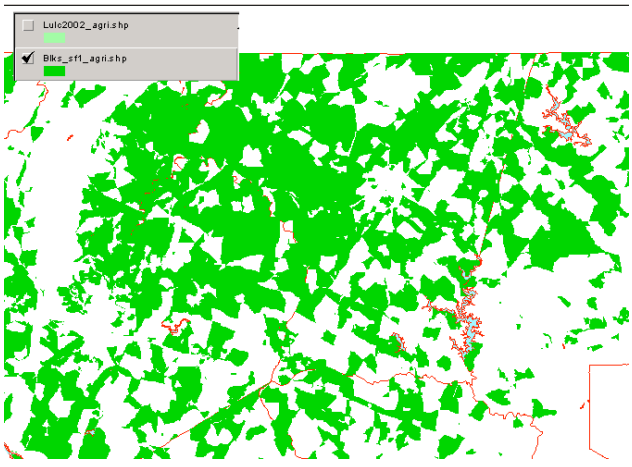
APPENDIX A: Methodology for Deriving Demographics for Areas Predominantly in Agriculture Land Use (December 12, 2007)

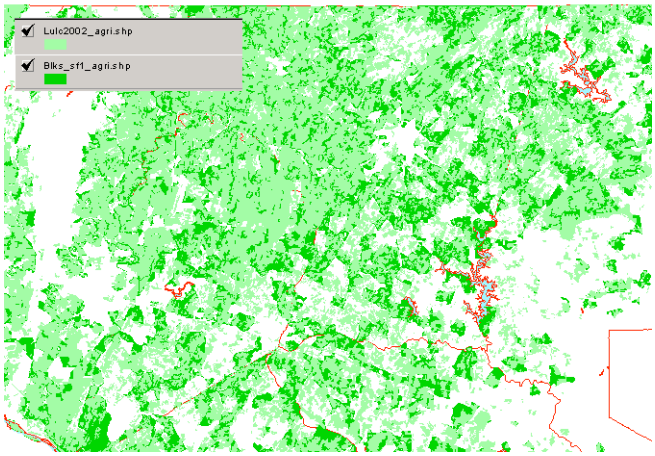
Step 1 – select from Land Use/Land Cover all polygons that have an agriculture land use and create a shapefile, lulc2002,agri.shp:

Value	Label	Count
21 Cropland	21 Cropland	8545
22 Pasture	22 Pasture	6196
23 Orchards/vineyai	23 Orchards/vineyai	217
241 Feeding operatic	241 Feeding operatic	941
242 Agricultural build	242 Agricultural build	1195
25 Row and garden	25 Row and garden	115



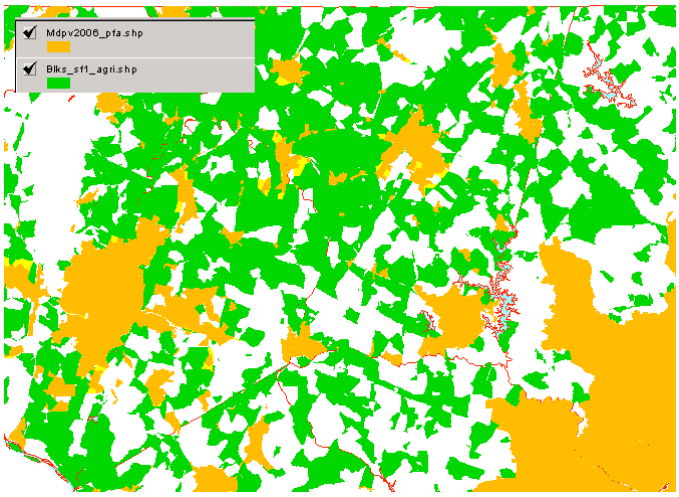
Step 2 – select the subset of 2000 census blocks whose centroids are inside an agriculture land use polygon (from Step 1) and write to shapefile, Blks_sf1_agri.shp

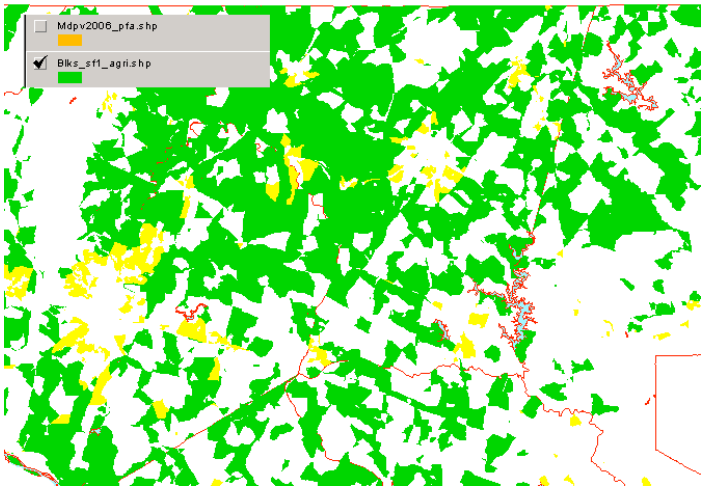


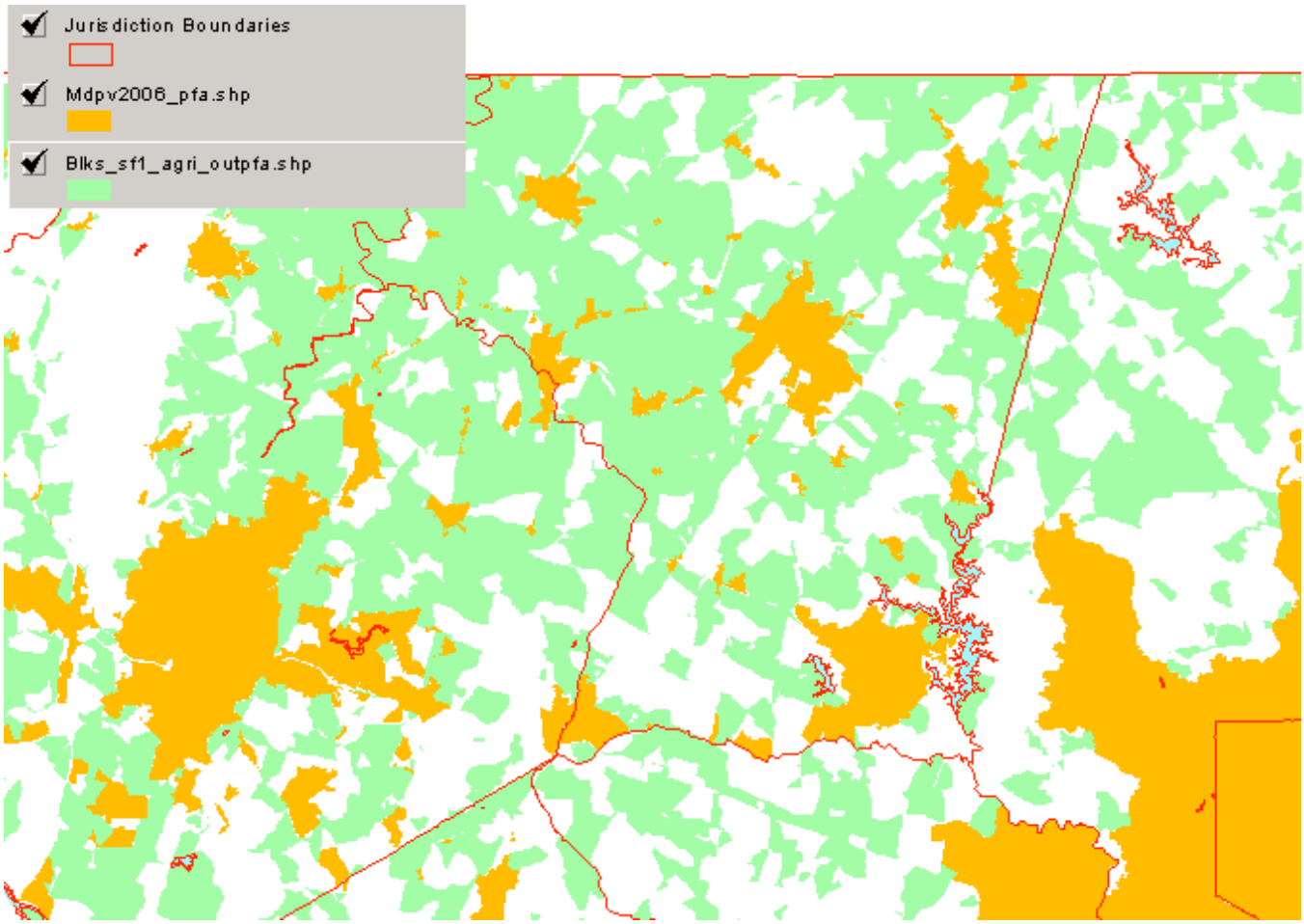


Step 3 – overlay the PFA boundary on the file of census agriculture blocks, blks_sf_agri.shp, and select the subset of blks that have their centroid inside the PFA Boundary. Convert the blocks not selected to

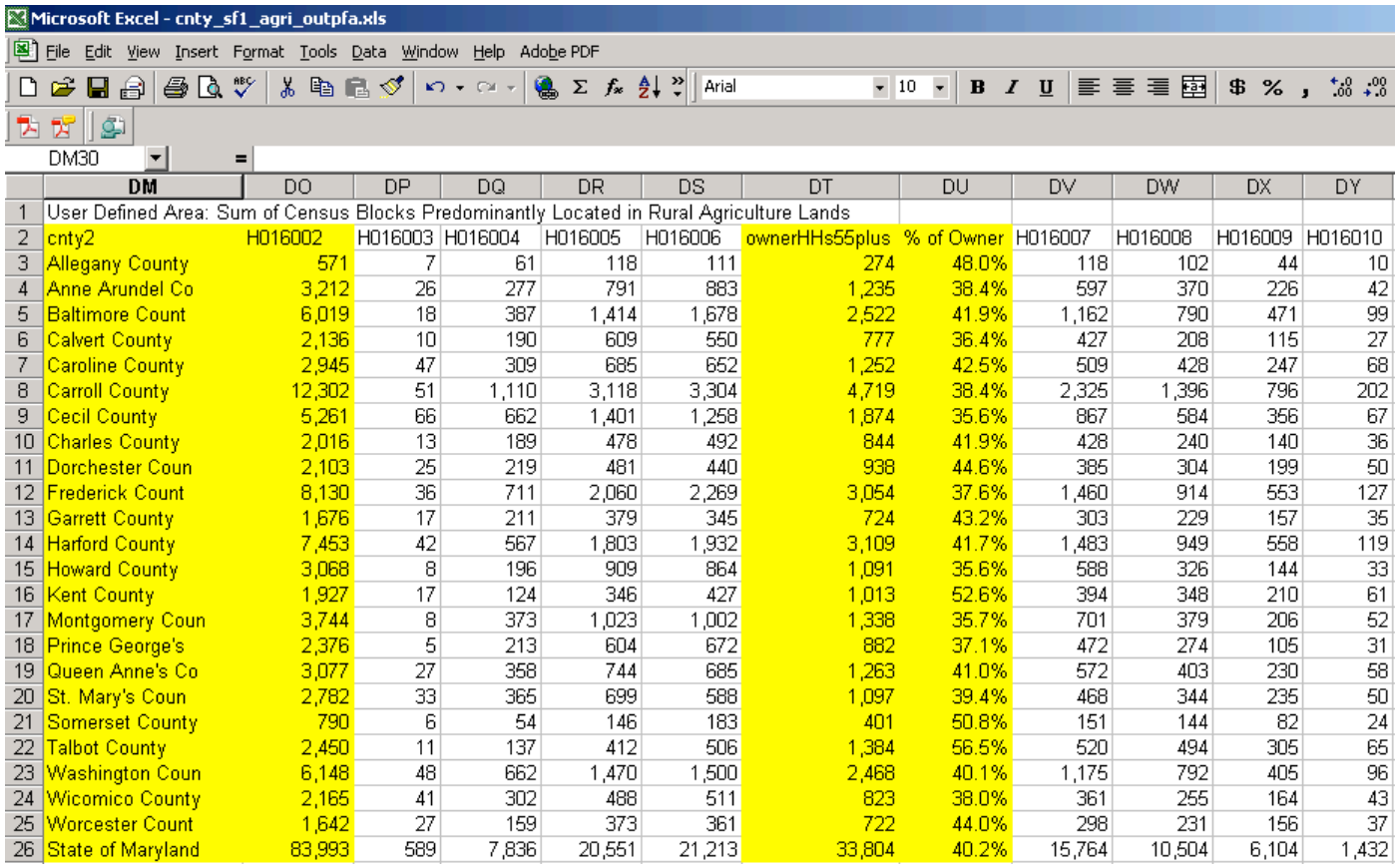
a new shapefile, blks_sf_agri_outPFA.shp. These are the Census Blocks that are predominantly located in Rural Agriculture Lands.







Step 4 – Aggregate census blocks from Step 3 by County to derive Owner Occupied Households (Total Households and Number and Percent where Householder is 55 Years of Age or Older) from 2000 Census SF1 data:



Microsoft Excel - cnty_sf1_agri_outpfa.xls

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DM30 =

	DM	DO	DP	DQ	DR	DS	DT	DU	DV	DW	DX	DY
1	User Defined Area: Sum of Census Blocks Predominantly Located in Rural Agriculture Lands											
2	cnty2	H016002	H016003	H016004	H016005	H016006	ownerHHs55plus	% of Owner	H016007	H016008	H016009	H016010
3	Allegany County	571	7	61	118	111	274	48.0%	118	102	44	10
4	Anne Arundel Co	3,212	26	277	791	883	1,235	38.4%	597	370	226	42
5	Baltimore Count	6,019	18	387	1,414	1,678	2,522	41.9%	1,162	790	471	99
6	Calvert County	2,136	10	190	609	550	777	36.4%	427	208	115	27
7	Caroline County	2,945	47	309	685	652	1,252	42.5%	509	428	247	68
8	Carroll County	12,302	51	1,110	3,118	3,304	4,719	38.4%	2,325	1,396	796	202
9	Cecil County	5,261	66	662	1,401	1,258	1,874	35.6%	867	584	356	67
10	Charles County	2,016	13	189	478	492	844	41.9%	428	240	140	36
11	Dorchester Coun	2,103	25	219	481	440	938	44.6%	385	304	199	50
12	Frederick Count	8,130	36	711	2,060	2,269	3,054	37.6%	1,460	914	553	127
13	Garrett County	1,676	17	211	379	345	724	43.2%	303	229	157	35
14	Harford County	7,453	42	567	1,803	1,932	3,109	41.7%	1,483	949	558	119
15	Howard County	3,068	8	196	909	864	1,091	35.6%	588	326	144	33
16	Kent County	1,927	17	124	346	427	1,013	52.6%	394	348	210	61
17	Montgomery Coun	3,744	8	373	1,023	1,002	1,338	35.7%	701	379	206	52
18	Prince George's	2,376	5	213	604	672	882	37.1%	472	274	105	31
19	Queen Anne's Co	3,077	27	358	744	685	1,263	41.0%	572	403	230	58
20	St. Mary's Coun	2,782	33	365	699	588	1,097	39.4%	468	344	235	50
21	Somerset County	790	6	54	146	183	401	50.8%	151	144	82	24
22	Talbot County	2,450	11	137	412	506	1,384	56.5%	520	494	305	65
23	Washington Coun	6,148	48	662	1,470	1,500	2,468	40.1%	1,175	792	405	96
24	Wicomico County	2,165	41	302	488	511	823	38.0%	361	255	164	43
25	Worcester Count	1,642	27	159	373	361	722	44.0%	298	231	156	37
26	State of Maryland	83,993	589	7,836	20,551	21,213	33,804	40.2%	15,764	10,504	6,104	1,432

Table H2 : Occupied Housing Units - Tenure by Age of Householder

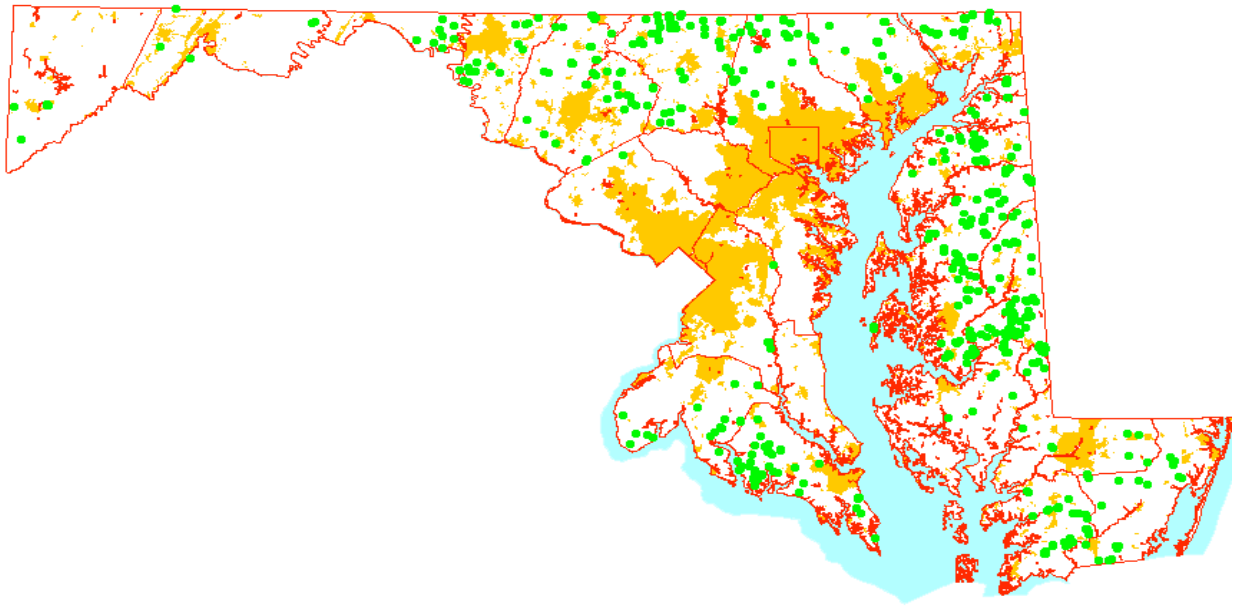
	Total	Pct. of Total	Owner Occupied	Pct. of Total	Renter Occupied	Pct. of Total
Occupied Housing Units	H016001	100.00	H016002	100.00	H016011	100.00
15 to 24 Years	@ochu_t1	t1_pct	H016003	i3i_pct	H016012	i12_pct
25 to 34 Years	@ochu_t2	t2_pct	H016004	i4i_pct	H016013	i13_pct
35 to 44 Years	@ochu_t3	t3_pct	H016005	i5i_pct	H016014	i14_pct
45 to 54 Years	@ochu_t4	t4_pct	H016006	i6i_pct	H016015	i15_pct
55 to 64 Years	@ochu_t5	t5_pct	H016007	i7i_pct	H016016	i16_pct
65 to 74 Years	@ochu_t6	t6_pct	H016008	i8i_pct	H016017	i17_pct
75 to 84 Years	@ochu_t7	t7_pct	H016009	i9i_pct	H016018	i18_pct
85 Years and Over	@ochu_t8	t8_pct	H016010	i10_pct	H016019	i19_pct
25 to 44 Years	@ochu_t9	t9_pct	@own_t1	t1_pct	@rent_t1	t1_pct
45 to 64 Years	@ochu_t10	t10_pct	@own_t2	t2_pct	@rent_t2	t2_pct
65 Years and Over	@ochu_t11	t11_pct	@own_t3	t3_pct	@rent_t3	t3_pct

Prepared by the Maryland Department of Planning, Planning Data Services.

APPENDIX B: Methodology for Deriving Demographics for Geographic Areas Where There Are MALPF Applicants for FY07.

Step 1 – MDA sent MDP a database containing 558 MALF applicants. The database records contain the Department of Assessments and Taxation property Account ID as well as the address of the property and the address of the MALF applicant.

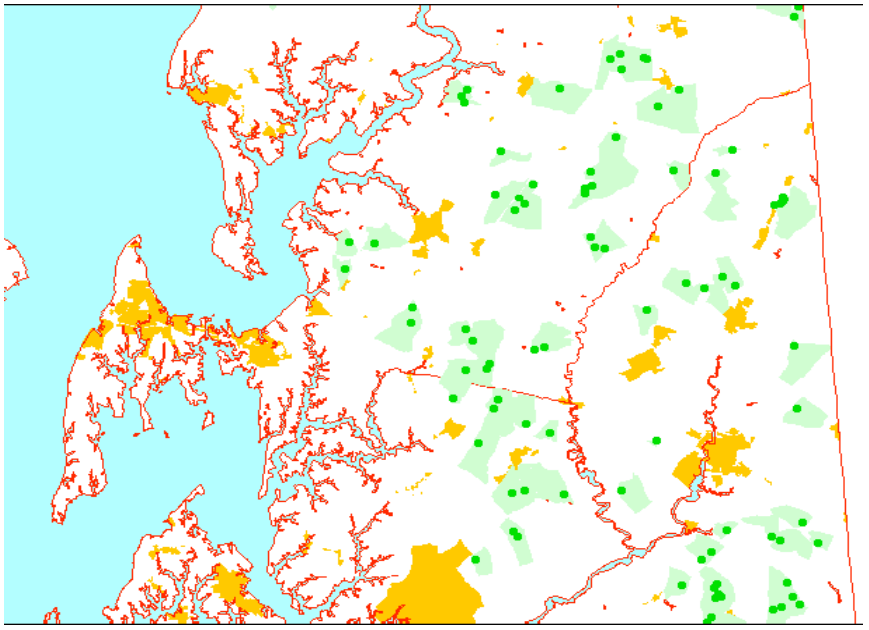
Using MdProperty View (MDP's statewide parcel mapping GIS) 542 of the 558 MALPF applicants were mapped to their x,y location based on their property Account ID. An additional 11 were mapped based on their property address. The remaining 5 MALPF records had property addresses that could not be mapped; 4 of the 5 had the same property address (an out-of-State address that was the same as the applicant's address). Thus 553 of the 558 MALF records were geographically referenced to their x,y location on a State map, see green dots below, orange areas are PFAs.



Step 2 – the 553 mapped MALF applicants were then tagged with their Land Use/Land Cover (LULC) code based on MDP's 2002 LULC map layer. The distribution is shown below, with agriculture land uses the most dominant, followed by forest.

Label	Count
Cropland	363
Pasture	38
Agricultural buildings	2
Orchards/vineyards/	1
Feeding operations	6
Deciduous forest	72
Mixed forest	38
Brush	11
Evergreen forest	3
Low-density residentia	14
Wetlands	4
Water	1

Step 3 – the mapped MALF applicants were then used to select the subset of 2000 census blocks (polygons) that contained one or more MALPF applicants. These census blocks were written out to their own shapefile. The "MALPF" 2000 census blocks (see below for Queen Anne's and surrounding jurisdictions) are shown in light green with the mapped MALPF applicants the darker green points. The PFA boundary is shown in orange.



Step 4 – For the MALPF census blocks (from Step 3) selected 2000 Census SF1 data on household demographic characteristics were then aggregated for each County to derive Owner Occupied Households (Total Households and Number and Percent where Householder is 55 Years of Age or Older).

2000 Census	Totals - All Households			Non-MALFAg & MALFAg Rent Occ HHs			MALFAg Owner Occupied HHs				%Tot County HHs in MALFAg Land	
	Households	HHs55plus	% of HHs 55+	Households	HHs55plus	% of HHs 55+	Total Owner HHs	OWN HHs55plus	% of HHs 55+	Differential in Percents	All HHs	HHs 55+
State of Maryland	1,980,859	651,249	32.9%	1,972,298	647,873	32.8%	8,561	3,376	39.4%	6.6%	0.4%	0.5%
State of Maryland less Baci	1,722,863	557,829	32.4%	1,714,302	554,453	32.3%	8,561	3,376	39.4%	7.1%	0.5%	0.6%
Baltimore Region less Baci	700,760	230,628	32.9%	698,200	229,665	32.9%	2,560	963	37.6%	4.7%	0.4%	0.4%
Anne Arundel County	178,670	56,528	31.6%	178,670	56,528	31.6%						
Baltimore County	299,877	109,178	36.4%	298,962	108,837	36.4%	915	341	37.3%	0.9%	0.3%	0.3%
Carroll County	52,503	17,115	32.6%	51,394	16,713	32.5%	1,109	402	36.2%	3.7%	2.1%	2.3%
Harford County	79,667	25,042	31.4%	79,131	24,822	31.4%	536	220	41.0%	9.7%	0.7%	0.9%
Howard County	90,043	22,765	25.3%	90,043	22,765	25.3%						
Suburban Washington	681,235	201,918	29.6%	680,096	201,504	29.6%	1,139	414	36.3%	6.7%	0.2%	0.2%
Frederick County	70,060	20,416	29.1%	69,007	20,044	29.0%	1,053	372	35.3%	6.3%	1.5%	1.8%
Montgomery County	324,565	104,203	32.1%	324,543	104,190	32.1%	22	13	59.1%	27.0%	0.0%	0.0%
Prince George's County	286,610	77,299	27.0%	286,546	77,270	27.0%	64	29	45.3%	18.3%	0.0%	0.0%
Southern Maryland	97,757	28,126	28.8%	97,161	27,895	28.7%	596	231	38.8%	10.0%	0.6%	0.8%
Calvert County	25,447	7,636	30.0%	25,447	7,636	30.0%						
Charles County	41,668	11,706	28.1%	41,318	11,590	28.1%	350	116	33.1%	5.1%	0.8%	1.0%
St. Mary's County	30,642	8,784	28.7%	30,396	8,669	28.5%	246	115	46.7%	18.2%	0.8%	1.3%
Western Maryland	90,524	36,923	40.8%	89,771	36,619	40.8%	753	304	40.4%	-0.4%	0.8%	0.8%
Allegany County	29,322	13,394	45.7%	29,263	13,370	45.7%	59	24	40.7%	-5.0%	0.2%	0.2%
Garrett County	11,476	4,671	40.7%	11,414	4,642	40.7%	62	29	46.8%	6.1%	0.5%	0.6%
Washington County	49,726	18,858	37.9%	49,094	18,607	37.9%	632	251	39.7%	1.8%	1.3%	1.3%
Upper Eastern Shore	79,608	30,289	38.0%	77,540	29,379	37.9%	2,068	910	44.0%	6.1%	2.6%	3.0%
Caroline County	11,097	4,150	37.4%	10,530	3,907	37.1%	567	243	42.9%	5.8%	5.1%	5.9%
Cecil County	31,223	9,897	31.7%	30,636	9,666	31.6%	587	231	39.4%	7.8%	1.9%	2.3%
Kent County	7,666	3,657	47.7%	7,421	3,513	47.3%	245	144	58.8%	11.4%	3.2%	3.9%
Queen Anne's County	15,315	5,803	37.9%	14,955	5,651	37.8%	360	152	42.2%	4.4%	2.4%	2.6%
Talbot County	14,307	6,782	47.4%	13,998	6,642	47.4%	309	140	45.3%	-2.1%	2.2%	2.1%
Lower Eastern Shore	72,979	29,945	41.0%	71,534	29,391	41.1%	1,445	554	38.3%	-2.7%	2.0%	1.9%
Dorchester County	12,706	5,617	44.2%	12,514	5,535	44.2%	192	82	42.7%	-1.5%	1.5%	1.5%
Somerset County	8,361	3,666	43.8%	7,449	3,318	44.5%	912	348	38.2%	-6.4%	10.9%	9.5%
Wicomico County	32,218	11,344	35.2%	32,092	11,304	35.2%	126	40	31.7%	-3.5%	0.4%	0.4%
Worcester County	19,694	9,318	47.3%	19,479	9,234	47.4%	215	84	39.1%	-8.3%	1.1%	0.9%
Baltimore City	257,996	93,420	36.2%	257,996	93,420	36.2%						

Prepared by Maryland Office of Planning, Planning Data Services, January 2008

APPENDIX C: LETTER TO MALPF PROGRAM ADMINISTRATORS AND DNR PARTNERS

The following letter was sent to MALPF program administrators, a similar letter was sent by DNR to all Rural Legacy Program sponsors and land trust partners.

MALPF is working with the Department of Planning and DNR to respond to an inquiry by Senator Middleton. The question we are seeking to answer, which we can only do indirectly, is ***whether there is a general increase in the age of those seeking or potentially seeking to sell their easements because of the baby boom bubble moving into retirement years***. If indeed this is the case, it would suggest that landowners/farmers will increasingly seek to sell easements to help fund retirement and, possibly, to help with the intergenerational transfer of their farms. If this is correct, it can be argued that MALPF and other land preservation programs should have a temporary increase in funding to meet this expected jump in demand for land preservation, particularly given that the alternative too many farmers/landowners may be to sell the farm outright rather than to preserve it.

It will come as no surprise to you, as a program administrator, that MALPF does not collect age data from its applicants. Because of this, I am asking you to provide me whatever information you may have, including your own best guesstimates (if that is the best available source for information) about the following:

1. Over the last five years (or less, if you've been involved in the program fewer years than that), have you seen a change in the average age of the actual applicants to the MALPF easement program? If so or not so, have applicants been getting older, younger, or pretty much on average staying the same? What seems to have been the average age, over this period, of program applicants, and how specifically do you see this changing in the actual age?

2. Think further about potential applicants who have not yet applied but have discussed the program with you. Have you seen a change in the average age of those interested, but not yet applying, to the Program? Have you seen a change in the range of age of those landowners asking about programs?

3. If you are involved in or familiar with TDR programs, local preservation programs, or other preservation opportunities, could you respond to the same set of questions about the range of other preservation opportunities (see below: Rural Legacy will be addressed in a separate questionnaire from DNR)?

4. If you are familiar with the potential pool of applicants who have NOT expressed interest, but who have properties that would be eligible for preservation, what observations can you say about the age range of that potential pool and how it may be changing over time?

5. Do you have any other information or observations that would be useful to us in responding as best we can to this inquiry by Senator Middleton?

6. Please give a general idea, with your response, of how confident you are of your observations (you KNOW their ages, you have a very good idea of their ages, you have a general sense of their ages, you are making as good a guess as you can with limited information, or whatever).

7. Do you know if the age of the landowner(s) was a factor in any recent conversions of properties for non-agricultural or non-forestry purposes, particularly any with a long-term history of agricultural or forestry operations?

8. If you know of any alternative sources of information which we can consult, please let me know.

I would like to stress that I welcome anecdotal information. We want a general idea, and given the limitations in time and resources, do not expect to get a rigorous survey result. I would rather get a quick response based on less than perfect information than a slow response with perfect statistically accurate information or no response at all. Of course, if you can respond quickly with statistically accurate information, that would be the best of all worlds!

If you are also a sponsor of a Rural Legacy project, the Department of Natural Resources will also be contacting you with similar questions about the Rural Legacy program applicants.

APPENDIX D

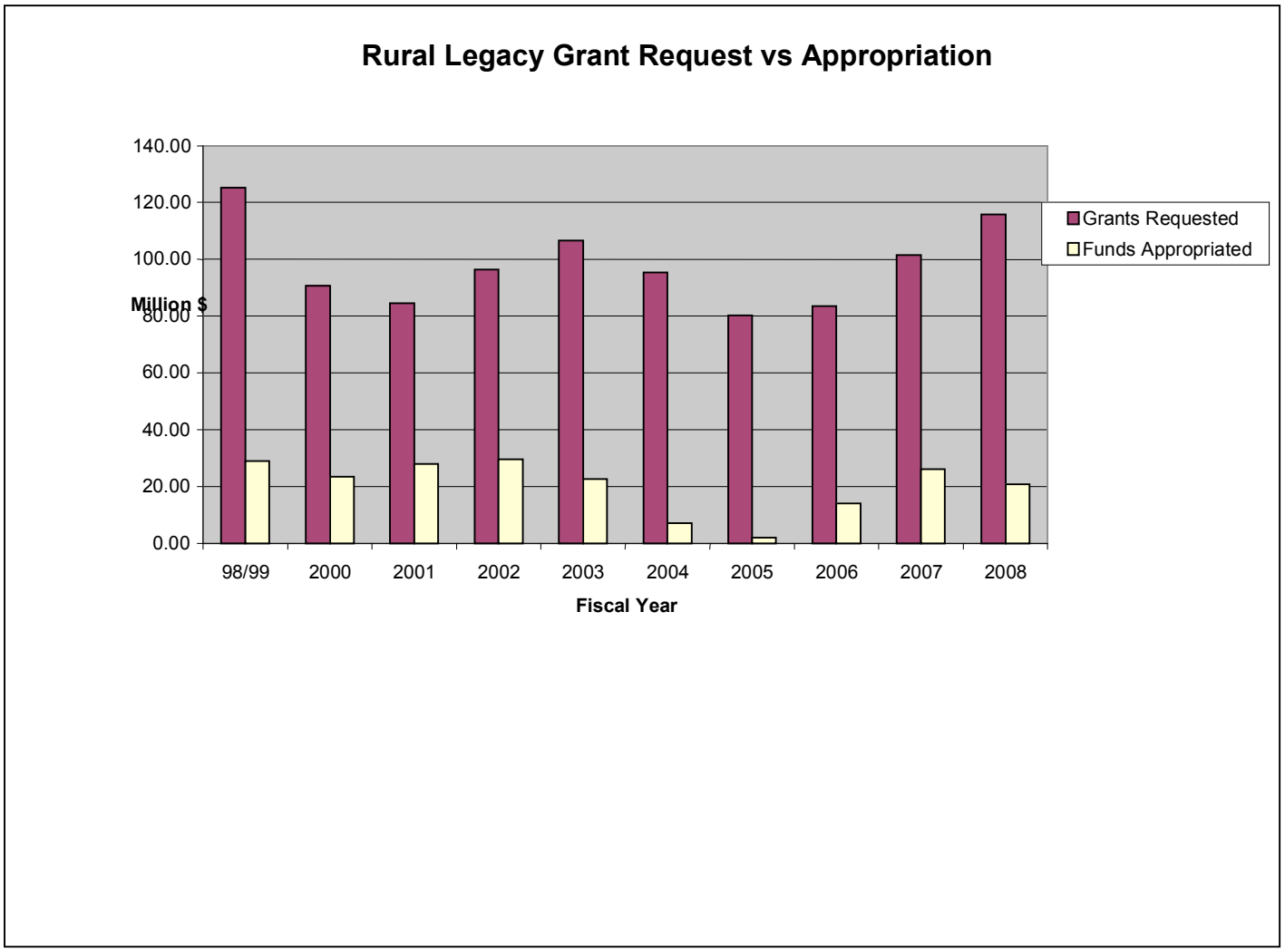
Applications by Landowners to Sell an Agricultural Conservation Easement to the Maryland Agricultural Land Preservation Foundation

(Fys 2003-2007)*

County	FY 2003		FY 2005		FY 2006		FY 2007		TOTALS (Fys 2003-2007)	
	Received	Approved	Received	Approved	Received	Approved	Received	Approved	Received	Approved
Allegany	0	0	0	0	0	0	1	1	1	1
Anne Arundel	3	3	0	0	0	0	1	1	4	4
Baltimore	29	29	17	8	11	11	20	20	77	68
Calvert	3	3	0	0	0	0	0	0	3	3
Caroline	37	35	13	13	12	11	41	41	103	100
Carroll	22	21	16	15	13	13	23	23	74	72
Cecil	15	15	6	6	3	3	24	24	48	48
Charles	10	9	3	3	13	13	12	12	38	37
Dorchester	33	23	8	8	8	8	7	7	56	46
Frederick	21	21	8	7	2	2	20	20	51	50
Garrett	3	3	4	4	2	2	5	5	14	14
Harford	12	8	2	2	2	2	5	5	21	17
Howard	2	2	3	3	0	0	1	1	6	6
Kent	17	17	12	11	12	12	25	25	66	65
Montgomery	3	3	0	0	1	1	3	3	7	7
Prince George's	1	1	2	2	0	0	3	3	6	6
Queen Anne's	33	33	5	5	1	1	20	20	59	59
St. Mary's	33	26	12	10	15	15	33	33	93	84
Somerset	7	5	2	2	0	0	22	22	31	29
Talbot	22	22	13	13	10	10	21	21	66	66
Washington	36	11	20	16	12	12	24	24	92	63
Wicomico	6	6	3	3	0	0	5	5	14	14
Worcester	8	8	4	4	6	6	9	9	27	27
TOTALS	**356**	**304**	**153**	**135**	**123**	**122**	**325**	**325**	**957**	**886**
AVERAGE NUMBER OF RECEIVED AND APPROVED APPLICATIONS (not including FY 2004):									**239**	**221**

- No applications were accepted in FY 2004. "Received" applications are all applications submitted by landowners by the July 1 deadline. "Approved" applications are the applications that met all conditions for participation in the program and received approvals by county and State authorities to be considered for funding. An "approved" application does not represent an easement purchase. Please consult the easement acquisition tables later in this report for the actual number of easements acquired. Please note that each year's number includes reapplications from landowners not receiving an offer or rejecting an offer from a previous year or years.

APPENDIX E



Fiscal Year	98/99	2000	2001	2002	2003	2004	2005	2006	2007	2008
Grants Requested (Million $)	125.22	90.64	84.61	96.31	106.56	95.44	80.30	83.60	101.43	115.79
Funds Appropriated (Million $)	29.00	23.50	28.00	29.60	22.80	7.25	2.00	14.02	26.05	20.92
Percent awarded of requested:	23.16%	25.93%	33.09%	30.73%	21.40%	7.60%	2.49%	16.77%	25.68%	18.06%